

Opening Statement of Chairman Fred Upton
Subcommittee on Health Hearing on Obamacare's Impact on Jobs
March 13, 2013

Millions of Americans are still struggling to find jobs, and it is the committee's main priority to get them back to work. Today, we will examine the Affordable Care Act's impact on the economy and jobs. Unfortunately, based on testimony we will hear today, it is clear that the law is hurting our nation's economy and those Americans trying to find work and make ends meet.

Just this past week, the Federal Reserve released a report that painted a grim picture of how the law will affect our economy. According to the Fed's own analysis, the law is leading employers to delay and minimize new hires.

Uncertainty stemming from the health care law is a leading concern for American businesses large and small. One major provision causing much of this uncertainty is the law's employer mandate. Starting in 2014, employers with 50 or more full-time workers will be forced to provide Washington-approved health coverage or pay a tax penalty. As we will hear from our expert witnesses today, this requirement will hurt part-time workers looking for more hours and Americans still looking for a job.

As a result of the health care law, employers with 49 workers must now weigh whether hiring an additional worker is worth the \$40,000 tax penalty imposed by the IRS if they are unable to provide Washington-approved health care coverage. At a time when our unemployment rate is still much too high, the Affordable Care Act is making it harder for our nation's employers to hire new workers. The new law is essentially penalizing job creation.

For employers who decide that they still want to offer health insurance coverage, the law will make it more expensive. Last week, our committee released a report highlighting over 30 studies that analyzed the new law's impact on health care premiums. One survey found that small group premiums could increase as much as 200 percent for employers with younger workforces.

A specific provision causing premium increases is the \$165 billion in new taxes on plans, medical devices, and drugs that will be passed on to consumers. In addition, the Affordable Care Act includes

price controls, regulations, and mandates that will also lead to huge premium spikes. In my home state of Michigan, some folks will see their premiums go up between 35 to 65 percent.

These statistics are not just projections on a sheet of paper. They have significant consequences as millions of American workers will see lower wages and less take home pay because of the law.

My hope is that the president and Congress can work together to avert the real harm the law is having on employers and workers across this nation before it is too late. I would like to thank the witnesses for their time and expertise today.